



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

June 6, 2008

Deborah Thorimbert, Area Employee Relations Manager
Smurfit-Stone Container Corporation
18021 Valley View Avenue
Cerritos, CA 90703

Dear Ms. Thorimbert:

RE: FINAL MONITORING VISIT REPORT – SMURFIT-STONE II - ET06-0212

Date of the Visit:*	05/21/08
Beginning/Ending Time:	9:30 a.m. to 12:00 p.m.
Date of Last Visit:	10/18/07
Visit Location:	City of Industry
Persons in attendance:	Deborah Thorimbert, Area Employees Relation Manager, Smurfit-Stone Elizabeth Roma, Sr. Human Resources Representative, Smurfit-Stone Elvia Reynaga, Human Resources Representative, Smurfit-Stone Margarita M. Paccarelli, Contract Analyst, ETP
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	06/06/06-06/05/08	Agreement Amount:	\$207,740
Training Start Date:	06/06/06	No. to Retain:	498
Date Training must be Completed:	11/13/07	Range of Hours:	24 - 160
Type of Trainee:	Retrainee	Weighted Ave. Hours:	47

FINAL REPORT SUMMARY

• HISTORY OF AGREEMENT CHANGES

The Agreement was executed on March 24, 2005 and training began on June 6, 2006. Ms. Reynaga reported that all training was completed on December 10, 2007, which allowed for the 90-day retention period to be completed within the term ending date of the Agreement – June 5, 2008.

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SAN DIEGO REGIONAL OFFICE
5353 Mission Center Road, Suite 110
SAN DIEGO, CA 92108
(619) 686-1920

Since the inception of this Agreement, your company submitted one Amendment to change the contract term date - June 6, 2006 to June 5, 2008.

- **FINAL PROJECT STATISTICS**

Your Agreement contains a variable training plan, which means that reimbursement will be based on the total actual number of training hours completed by each trainee between 24 and 160 training hours. There will be no reimbursement for any trainee who does not complete a minimum of 24 hours of training from the approved curriculum.

Although Chart 1, Exhibit A of the Agreement, specified that there would be 498 trainees to be retained, your project staff reported that only nine trainees completed training and the 90-day retention period. This resulted in a completion rate of two percent with approximate earnings of \$3,030.95, which is less than two percent of the Agreement amount. Since your company has received \$1,374.75 in progress payments, you will receive an additional \$1,656.20, if the anticipated number to retain is verified during the final fiscal closeout.

Your project staff was reminded that this Agreement ended on June 5, 2008. By the terms of the Agreement, the final contract closeout should have been completed within 30 days of the end term date of the Agreement. This means that the final contract closeout invoice and associated documents must be submitted to ETP on or before the close of business on July 5, 2008.

- **INTERVIEW WITH CONTRACTOR'S REPRESENTATIVES**

According to Ms. Thorimbert, the low completion rate was due to changes in management and project staff. The new project staff took over this Agreement with only six months remaining for training. Since training was provided statewide, there was difficulty obtaining training records from different locations resulting in less training hours entered online. As a result, majority of the trainees do not have proper documentation to show that at least 24 hours of training were completed.

Although the company did not complete 100 percent, Ms. Thorimbert stated that the training provided employees knowledge in continuous improvement, which is very helpful in ensuring that the company meets the quality standards required by the industry.

Your project staff stated that they did not experience any problems with ETP record keeping and that ETP staff was very helpful in providing assistance in the administration of this project.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Started Training:	288	Completed Training:	9
Trainees Enrolled:	288	In Retention Period::	0
Dropped Following Enrollment:	279	Completed Retention	9
Completed Minimum Hours for reimbursement:	9		

The project statistics provided by your staff matches those listed on the ETP Contract Status Report.

TRAINING RECORDS

Ms. Paccereilli conducted a random sampling of five trainees who completed training. Records reviewed validated the completion of the training hours required in this Agreement. Records show that these trainees completed between 24 and 30 total training hours and the completed hours matches those posted on the ETP Online Tracking System. Records reviewed confirmed that the Agreement curriculum was provided as specified and the ratio of trainer to trainee delineated in the Agreement training plan was adhered to.

The above findings are based only on the training records reviewed during this visit and represent only a sample of the training records completed to date. Therefore, it is your responsibility to ensure that all training records comply with Panel requirements for auditing purposes. (Reference: Title 22 California Code of Regulations, Section 4442)

AUDIT

Your company will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk review. These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters.

To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Margarita Paccereilli at (818) 755-1317 or by email at mpaccereilli@etp.ca.gov within ten (10) working days from the receipt of this report.

Sincerely,

Dolores Kendrick, Manager
North Hollywood Regional Office

Margarita M. Paccarelli, Contract Analyst
North Hollywood Regional Office

Date report mailed to Contractor _____

cc: David Guzman, Chief, ETP Program Operations Division (via email)
Kulbir Mayall, Manager, Fiscal and Certification (via email)
Master File
Project file